

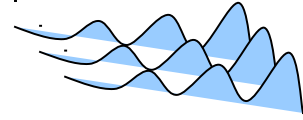
Presentation to RM Conference


The Third Wave

***air, Non-Core Competencies Working Gr
3 December 2002***



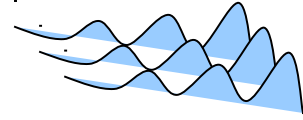
Agenda



- Background (First and Second Waves)
- President's Management Agenda 
- Background (Third Wave)
- Competitive Sourcing Targets
- SecArmy Third Wave Memo
- Results of 1st and 2nd Waves
- Current Non-Core Spaces
- MACOM Role
- How Many of the 214K Jobs Will be Included
- Summary

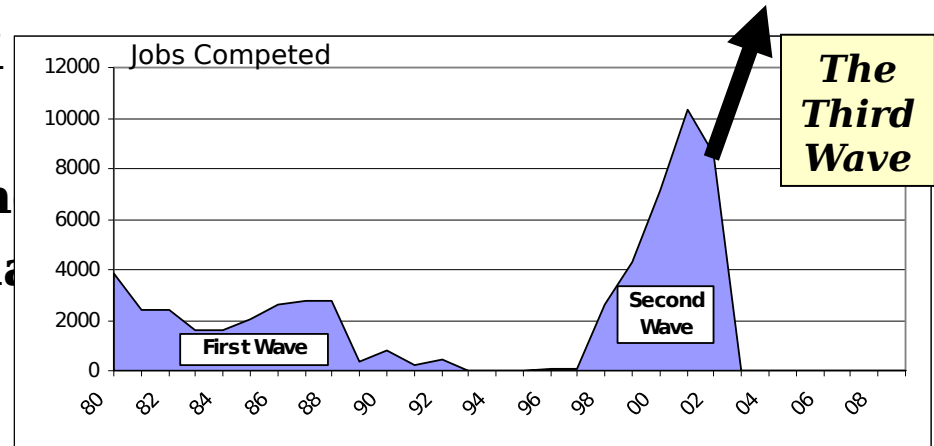


Background First & Second Waves



- **First Wave**

- 1979 first publication of OMB Circular A-76
- Completed studies of 25K
- Curtailed by two laws
 - 1989 Nichols Amendment
 - 1990 "2-year / 4-year law"

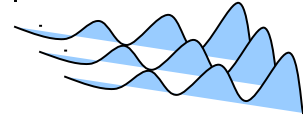


- **Second Wave**

- 1995 - DepSecDef IPT with Service Under Secretaries and Vice Chiefs
- 1996 - First A-76 Studies Started
- 1997 - Commitment to QDR to study 56K spaces (48K civ, 8K mil)
- 1997 - Reprogrammed \$3.2B savings from OMA to Force Modernization
- *We did it to ourselves*

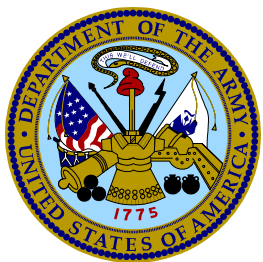


President's Management Agenda (PMA)

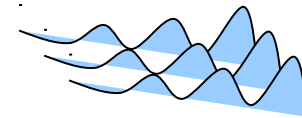


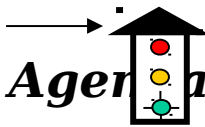
- **President Issued Management Agenda (PMA) with five gov't-**
- **Effectiveness is scored red, yellow, or green for both status a**
- **Initiatives and DoD's current scores:**

Initiative	Status	Progr
Human Capital	Yellow	Green
Competitive Sourcing	Red	Yellow
Improved Financial Management	Red	Green
Budget and Performance Integration	Red	Green
Expanded e-Government	Red	Green



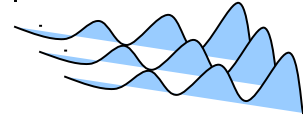
Background Third Wave



- **OMB Directs**
 - **Mar & Jul 01 - All agencies compete 5% of FAIR Inventory by F02; 15% by FY03**
 - **Oct 01 - 50% of FAIR (*President's Management Agenda* (PMA))** 
- **Action Passes to BIC**
 - **Aug 01 - OSD staffs memo 20K spaces per year**
 - **Services and BIC non-concur**
 - **BIC works with OMB**
- **DoD Actions**
 - **Dec 01 - BIC Chair memo to OMB non-concurs with 50% target**
 - **Jan 01 - USD(P&R) meets with OMB**
 - **Feb 02 - USD(P&R) agrees to 226K (50% FAIR)**
- **OSD SEC Actions**
 - **Apr 02 - "incorporate plans into POMs as soon as possible"**
 - **Sep 02 - allocates 77K of 226K to Army**



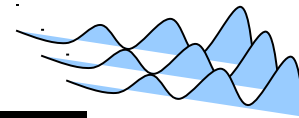
Competitive Sourcing Targets



DoD's Target	226K
Army's Target	77K
Minus Credit	<u>-28K</u>
Remaining Target	49K



4 Oct SecArmy Third Wave Memo



What

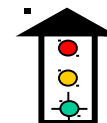
- Time-phased Competition & Privatization Implementation Plan, including:
 - All non-core (not just BASOPS, like 1st/2nd waves)
 - 214K spaces

(155K ciw/50K mil)

- 29 Nov 02 Exemption Request approved ASA(M&RA) to convert to core (extended to 15 Jan 03)
- 21 Jan (extended to 21 Feb 03) - Deadline for ASA(M&RA) approval
- Feb - Brief ESC
- Feb - Brief EOH

Why

- Free leaders to focus energies & talents on core competencies



- Aggressively support PMA

Free resources for How
GWOT Subdivide all non-core functions into marketable "packages"

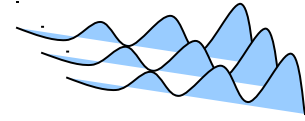
- Determine when (FY03-09)
- Determine process to use
 - Divest, privatize, A-76,

Who

- HQDA Functional military conversion, Proponents in transfer conjunction with NCCWG and



Competitive Sourcing of Data and Waves

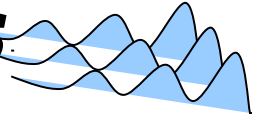


	<u>Spaces Studied</u>	<u>Military Freed Up</u>	<u>Annual Savings \$ (%)</u>
1 st Wave Completed	25.0K	2.0K	\$366M (30%)
2 nd Wave Initiated	32.7K	3.7K	TBD
• Completed	14.1K	.8K	\$250M (36%)
• Tentative*	12.3K	1.5K	TBD

* Tentative Decisions = Appeals, protests, or notification to Congress pending.8



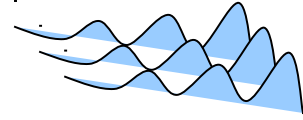
Current Non-Core Spaces



These are
the
spaces
currently
being
considered
for
exemption.

<i>Function</i>	<i>Military</i>	<i>Civilian</i>
Logistics	18,402	35,122
Civil Works	318	32,269
Financial Mgt	1,879	3,581
Installation Mgt	1,314	22,012
Personnel	18,065	9,839
Operations	12,952	22,304
Medical	916	15,094
Military History	2	260
Intelligence	712	2,349
Legal	373	638
Information Mgt	3,059	9,716
Inspector General	292	93
Auditor General	0	954
Public Affairs	443	679
<i>TOTAL ARMY</i>	<i>58,727</i>	<i>154,910</i>

(Includes Civil Works)

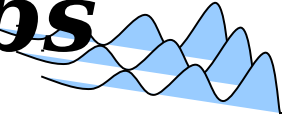


MACOM ROLE

- SecArmy gave the HQDA Principal Officials (Functional Proponents) this action
- Need MACOMs to assist the HQDA Principal Officials (Functional Proponents) to prepare the best product



How Many of the 214K Jobs Will Be Included in the Implementation Plans?

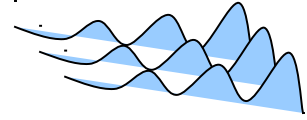


- 50K? 77K? 100K? 150K?
- The answer will not be known

until . . .

(depends on ASA(MRA) review
and

approval of exemption
requests)



Summary

- 214K (current non-core spaces) is starting point
- Size of Third Wave will depend on exemption process
- Third Wave process will result in a plan for FY03-09 now, not annually
- Looking at all spaces now is the best plan